

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Swampscott Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 3, 2015

This Commission is hereby furnishing you with approval of the funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

The System used an 8.0% investment return assumption in this valuation. We recommend that the Board consider reducing this assumption at the time of the next actuarial valuation. As of January 1, 2013, PERAC reduced its “standard” investment return assumption for local system valuations to 7.75%. In our January 1, 2015 valuations, a number of boards have reduced this assumption further. There are now 78 systems using an assumption less than 8.0%. Of these, 25 have adopted an assumption less than 7.75%.

This schedule reflects the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



SWAMPSCOTT CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution
2017	727,595	47,183,476	4,170,650	114,101	5,012,346
2018	754,880	46,453,853	4,330,612	114,101	5,199,593
2019	783,188	45,493,100	4,496,972	114,101	5,394,261
2020	812,557	44,275,818	4,538,727	114,101	5,465,385
2021	843,028	42,916,059	4,678,329	114,101	5,635,459
2022	874,642	41,296,748	4,865,463	114,101	5,854,205
2023	907,441	39,345,788	5,060,081	114,101	6,081,623
2024	941,470	37,028,563	5,262,484	114,101	6,318,055
2025	976,775	34,307,365	5,472,984	114,101	6,563,860
2026	1,013,404	31,141,132	5,691,903	114,101	6,819,408
2027	1,051,407	27,485,168	5,919,579	114,101	7,085,087
2028	1,090,835	23,290,836	6,156,362	114,101	7,361,298
2029	1,131,741	18,505,231	6,402,617	114,101	7,648,459
2030	1,174,181	13,070,824	6,658,721	114,101	7,947,003
2031	1,218,213	6,925,070	6,925,070	114,101	8,257,384
2032	1,263,896	-	-	114,101	1,377,997

Amortization of Unfunded Liability as of July 1, 2015

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2002	ERI	131,261	0.00%	18	131,261	3
2003	ERI	40,333	0.00%	18	40,333	4
2017	Fresh Start	3,999,056	4.00%	15	3,999,056	15

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. **Type** is the reason for the creation of the base. **Original Amortization Amount** is the annual amortization amount when the base was established. **Percentage Increasing** is the percentage that the Original Amortization Amount increases per year. **Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.